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November 12, 2002

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Rc: **Ex Parte notice:** CC Docket 00-199, Comprehensive Review of Accounting Requirements; WC Docket 02-269, Federal-State Joint Conference on Accounting Issues

Dear Ms. Dortch:

On November 8, 2002, Al Syeles and the undersigned of SBC, and Mike Weiss of Weiss and Associates, met with Rebecca Klein, Chairman of the Texas Public Utilities Commission. The parties discussed potential agenda items for the Federal-State Joint Conference on Accounting Issues as well as matters associated with the pending Petition for Reconsideration in Phase 2 of the Comprehensive Accounting Review filed jointly by BellSouth, Verizon, and SBC. Consistent with its prior filings, SBC expressed its position that in Phase III of this proceeding, price cap ILECs should be allowed to follow GAAP rules immediately for accounting mechanisms like depreciation, capitalization, property records (CPR) and materiality.

This notice is being filed pursuant to Section 1.1206(b)(2) of the Commission's rules. Please place this document in the public record.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michelle A. Thomas", written over a horizontal line.

CC: Rebecca Klein, Texas PUC
Jane Jackson, FCC

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